

SENATE BILL 1113

By Kilby

AN ACT to amend Tennessee Code Annotated, Title 5;  
Title 6; Title 7 and Title 12, enact to the "Keep  
Jobs in Tennessee Act of 2007."

WHEREAS, state agencies and political subdivisions procure services in part through contracts with private vendors; and

WHEREAS, increasingly, private vendors carry out these services, or subcontract, or otherwise procure these services, from a location outside the United States; and

WHEREAS, such international outsourcing exacerbates unemployment and workforce dislocation and deprives Tennessee residents of job opportunities, including industries and jobs this state has expended development assistance resources to attract; and

WHEREAS, international outsourcing erodes state and local revenues by drawing jobs and income away from the state; and

WHEREAS, international outsourcing additionally may provide less privacy protections for state residents whose personal information may, in the course of service delivery, be transmitted to locations outside the United States; now therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. This bill shall be known, and may be cited as, the "Keep Jobs in Tennessee Act of 2007".

SECTION 2. Tennessee Code Annotated, Title 12, Chapter 3, Part 1, is amended by adding the following language as a new section:

§ 12-3-133. The following shall apply to all state contracts, all local contracts funded with state dollars, except where the application to local contracts funded with state dollars is inconsistent with another state law, and state-funded development assistance:

(a) State agencies, departments, boards, commissions, institutions, institutions of higher education, schools and all other state entities, and local government entities using state funds to make procurements shall not award a contract or development assistance to a vendor, bidder contractor, subcontractor or applicant for development assistance that performs the work at a site outside of the United States. Nothing in this bill shall be construed to supersede or replace existing requirements in place for development assistance programs. Development assistance" means any form of public assistance, including tax expenditures, made for the purpose of stimulating the economic development of a corporation, industry, geographic jurisdiction or any other sector of the state's economy, including, but not limited to, industrial development bonds, tax increment financing, fee waivers, land price subsidies, infrastructure whose principal beneficiary is a single business or defined group of businesses at the time it is built or improved, matching funds, tax abatements, tax credits and tax discounts of every kind, including corporate franchise, personal income, sales and compensating use, raw materials, real property, job creation, individual investment, excise, utility, inventory, accelerated depreciation and research and development tax credits and discounts.

(b) Each vendor submitting a bid or contract to provide services and all development assistance applicants shall certify that the services covered by the bid, contract or development assistance will be performed in the United States.

(c) If, during the life of the contract, the vendor, contractor, subcontractor or development assistance recipient shifts overseas work that is funded under the contract, the state agency or local government entity shall terminate the contract for noncompliance. In addition, the vendor, contractor, subcontractor or development assistance recipient shall forfeit penalties to the state agency or local government entity in an amount equal to the amount paid by the state agency or local government entity for

the percentage of work that was performed outside the United States. Any contractor, subcontractor, vendor, bidder, or development assistance recipient that violates the provisions of this section shall not receive any state contracts or development assistance for a period of five (5) years from the date of the determination of the violation.

(d) Any state agency or local government entity shall be entitled to bring a civil action in state or federal court to compel enforcement pursuant to this section. A state agency or local government entity that prevails in any civil action brought pursuant to this subsection (d) shall be entitled to an award of reasonable attorney's fees.

SECTION 3. This act shall take effect July 1, 2007, the public welfare requiring it.